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Chairman: Mr. Olhaye ..... (Djibouti)

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The meeting was called to order at 3.05 p.m.

General debate (*continued*)

1. **Mr. Ba'omar** (Oman) said that his delegation hoped that, in the new millennium, the United Nations would play a greater role in inter-country dialogue in the economic and social spheres. Access for developing countries to membership in the World Trade Organization (WTO) must be equitable and provide opportunity for economic and industrial growth within a framework of liberalized markets. Free trade must not become a means to destroy the markets of developing countries, and the forthcoming WTO ministerial conference should aim at creating a realistic balance between members. Liberalization of the service sector to allow open competition was one of the most important issues facing the new international trading system. The international community must take the initiative to help developing countries promote their service sectors, thus guaranteeing them an equitable share of that market.

2. The conditions for sustainable development could be created only when peoples exercised complete sovereignty over their natural resources. His delegation therefore asserted the need to implement the resolutions on permanent sovereignty of the Palestinian people in the occupied Palestinian territory, including Jerusalem, over their natural resources, so that the people of the region could enjoy prosperity and stability.

3. The debt burden of poor countries prevented them from growing to the point where they could open their markets to foreign trade. His delegation therefore appealed to the developed countries to cancel that debt and to design new mechanisms for international loans. The recent crisis in Asian economies was a strong indication that the international economic dialogue must continue. While the assistance of the international financial institutions and the Bretton Woods institutions in putting an end to the crisis and restoring confidence in Asian markets had been welcome, the crisis had underscored the need to review the conditions for granting loans to developing countries. In order to meet the challenges of globalization and open markets, the least developed countries must be given the means to keep up through a renewed commitment on the part of the donor countries to official development assistance. He appealed to those countries to meet the target of 0.7 per cent of GNP for ODA which had been reaffirmed in Agenda 21.

4. **Mr. Dailmi** (Yemen) expressed appreciation for the oral reports presented by the Chairman of the Group of 77 and the Under-Secretary-General for Economic and Social Affairs. Noting that the least developed countries were having to spend most of their resources on servicing their foreign debt and that their growth was therefore being stifled, he said that the international community should help those countries adapt to the new situation of globalization and liberalized trade and become integrated into the world economy. To that end, their exports should be allowed easier access to world markets, and the relevant international organizations should respond to their need for aid in the area of technology. Furthermore, the flow of official development assistance should be not only maintained, but increased.

5. Poverty and income disparity had unquestionably contributed to the world economic crisis of 1998 and 1999, as had the international financial structure. The elimination of poverty must be a factor in any valid programme aimed at preventing such crises and the world economy must be reinvigorated on a basis of partnership, justice and interdependence. However, nothing would be achieved unless strict constraints were placed on the movement of capital. At present, in the absence of any supervisory authority, the tides of international finance could sweep away national currencies and destroy their credibility almost instantaneously. Provided appropriate action was taken, the phenomenon of globalization could be made more benign. The developing countries, including the least developed countries, could then face the challenges of the twenty-first century with equanimity.

6. **Mr. Mabilangan** (Philippines) said that the financial crisis in East Asia had abated and that the World Economic and Social Survey projected growth rates of 3 per cent for Africa and 5.5 per cent for South Asia in 1999. However, it was the developing countries that had been most affected by the crisis; their 1998 average growth rate of 1.7 per cent had been below that of the developed countries for the first time since the 1980s, contrasting markedly with their growth rates of 5 per cent or more earlier in the decade.

7. The financial crisis had produced millions of "new poor", and the divide between rich and poor countries continued to widen. Some developed countries had even benefited from the unprecedented collapse in commodity prices and cheaper manufactured imports from countries that had suffered currency devaluations. It might be wondered whether the purpose of globalization was to widen the gap between the developed and developing countries. Trade liberalization had proceeded more slowly in sectors where developing countries were more competitive, such as the textile, garment and footwear industries, and major trading blocks protected the agricultural sectors of developed countries. For example, the United Nations Conference on Trade and Development (UNCTAD) had estimated that

although the European Union's dairy products were among the world's most expensive to produce, they accounted for 50 per cent of the world market. Developing countries were expected to accept the free movement of capital, but there was no corresponding provision for labour mobility. The same could be said of technology transfer: the Uruguay Round trade-related intellectual property rights (TRIPS) agreement had further strengthened barriers to the transfer of knowledge, ensuring the North of continuing dominance in the fields of science and technology.

8. There was a need for a new paradigm of cooperation, leading to a genuine partnership for development. The President of the World Bank had recently spoken of a new international development architecture, a coalition based on cooperation between the United Nations, Governments, multilaterals, the private sector and civil society that would parallel the new global financial architecture. There was a link between external payments and economic growth, which was in turn dependent on foreign capital and trade flows. Care should be taken to prevent conflict between the various global systems. Thus, the opening of the capital account must be carried out in an orderly, gradual and well-sequenced manner, keeping pace with the strengthening of an effective, prudential framework for domestic finance.

9. Similarly, current account deficits were further widened by rapid trade liberalization, particularly where high levels of protection had existed; the countries most seriously affected by the recent financial crisis were those which had had significant current account deficits. His Government remained committed to the virtues of trade liberalization. However, not only developing, but also developed, countries must make structural adjustments in order to remove trade barriers and subsidies from sectors such as textiles, clothing and agriculture. He therefore hoped that the Third Ministerial Conference of the World Trade Organization (WTO), to be held in Seattle, would focus on market access and trade liberalization for the exports of developing countries and on the amendment of General Agreement on Tariffs and Trade (GATT) agreements that hindered the growth of developing countries.

10. The United Nations was uniquely placed to take an integrated approach to the interlinkages of global systems while drawing on the expertise of specialized agencies and bodies, including the Bretton Woods institutions. It was up to the international community, through the United Nations, to bring about a genuine partnership capable of ensuring that globalization was of benefit to all.

11. **Mr. Tchoulkov** (Russian Federation) said that globalization had reached a level where the functioning of national economies was increasingly interconnected, and in many respects the sustainable growth of the entire system depended on the economic health of its individual components. His delegation shared the opinion that the international community had not yet learned to manage the globalization process. The financial crises which had engulfed Asia, Latin America and Russia revealed the lack of sustainability of the existing monetary and financial systems under globalization. The continuing marginalization of the least developed countries and the widening gaps between the richest and poorest countries testified to the fact that the disadvantages of globalization still outweighed the advantages. The Cologne summit of the major industrialized countries had defined the challenge of globalization as one to be met through the common efforts of Governments, international organizations and civil society. The elaboration of an international programme of action aimed at maximizing the advantages of globalization could become a priority task of the United Nations for the near future. The Organization should also seek ways to facilitate technology transfer in the interests of all, including the developing world.

12. The recent financial crisis had revealed the structural weaknesses of the current global financial system as well as the shortcomings of its management and regulatory mechanisms. The measures taken by the international community and the international financial institutions to deal with the consequences of the crisis represented a first step in the efforts to promote stability of the international financial system at both national and international levels. The next step would be to intensify efforts to curb international financial crime and to create durable safeguards against such crimes as money laundering and illicit traffic in capital, which served as a breeding ground for corruption.

13. The world economy showed encouraging signs of post-crisis recovery in the regions most severely affected, but the sustainability of that recovery would depend, to a large extent on whether external conditions fostered world trade and whether global investors and Governments took previous failures into account in their economic and financial policy. The Russian Federation had not yet fully recovered from the financial "meltdown" of August 1998, caused by both the impact of the Asian financial crisis and its own economic miscalculations. Despite improvements in industrial production, its economic situation continued to be affected by external factors, the lack of funds to implement an effective social policy and the difficulties in its accession to WTO.

14. Further development of international financial and economic relations required the General Assembly to take

an active role as a universal, representative and democratic body capable of balancing the interests of the Member States. This was not a simple task, but it must be accomplished without delay in order to shape the multi-polar world of the next millennium.

15. **Ms. Durrant** (Jamaica) said that since the adoption of General Assembly resolution 50/227, the work of the Second Committee had become even more responsive to global change. Her delegation wished to see greater coherence between the Committee's work and that of the substantive bodies dealing with the issues it addressed. The Committee should re-examine the relevance and current state of development cooperation with a view to stimulating renewed political commitment to it. To that end, it was vital to understand the globalization process and its underlying forces, in particular, how the process could be more effectively managed so as to ensure that the current benefits were more evenly distributed. A new approach must be taken to development policy in order to protect developing countries from the economic, political and social risks of globalization.

16. Her Government looked forward to the high-level international intergovernmental consideration of financing for development, to take place early in the millennium, and the Ministerial Conference of the World Trade Organization, to be held in November The latter must focus on market access in areas where developing countries had or could establish a competitive advantage. In that connection, her delegation agreed with the Secretary-General of the United Nations Conference on Trade and Development (UNCTAD) that improved market access was only a partial solution and that what was really needed were special and differential treatment and tailored transition periods for developing countries, particularly those with small open economies. It was deeply disturbing that some of the agreements concluded in the World Trade Organization had yet to be implemented in order to establish a rule-based, secure and predictable multilateral trade system. It was to be hoped that the forthcoming Ministerial Conference would address those concerns.

17. The tenth session of UNCTAD, to be held soon after the WTO Ministerial Conference, should examine the state of the world economy, evaluate the impact of globalization on the economies of developing countries and identify basic elements of a new consensus for development aimed at ensuring the fair and sustained economic growth of developing countries. It was also vital to close the knowledge and technological gap between developed and developing countries in order to prevent further marginalization of the developing countries. Cooperation should be further explored in the areas of research and development; technology transfer, and, in the absence of technical capabilities, education; a culture of science and technology and on-the-job training in public and private enterprises; and linkages between production units and research and development centres.

18. The Committee, through a forward-looking exchange of views, and the United Nations at large could contribute to long-term development and cooperation with a human dimension. The challenges set forth in the *Human Development Report 1999* must be tackled; that would involve strengthening policies and actions for human development and adapting them to the realities of the global economy; enhancing public action to develop technologies for human development and the eradication of poverty; reversing the marginalization of poor, small countries; and remedying the imbalances in the structures of global governance through new efforts to create a more inclusive system.

19. **Mr. Fadaifard** (Islamic Republic of Iran) said that the financial crisis in South-East Asia in mid-1997 had had a far more serious impact on the developing than the developed world, negating the fruits of poverty eradication policies, dashing hopes for sustained economic growth and sustainable development and depressing commodity prices and the terms of trade of the developed countries. In 1998, oil prices had dropped by one-third and oil exporters had suffered a deterioration of nearly 20 per cent in their terms of trade. In addition, the flow of private capital to developing countries had fallen by 70 per cent between 1996 and 1998.

20. The benefits of increased multilateral trade had not resulted in a reliable and equitable rate of growth for developing countries. According to the World Economic and Social Survey, 1999, economic growth in 1999 had been markedly lower than that at mid-decade, particularly for the majority of developing countries, only 23 of which would achieve sufficient growth of per capita output in 1999. The situation called for a sincere effort by the international community to create a new international development architecture. Globalization had thus far widened the gap between rich and poor and had had negative consequences on the social, political and economic situations of developing countries, many of which were experiencing a slowdown, if not a reversal, of their economic growth. His delegation therefore looked forward to the convening of the Group of 77 South Summit, which would be a forum for discussing globalization and providing the countries of the South with guidelines on adapting liberalization and globalization to their own situations and developmental needs.

21. The forthcoming Ministerial Conference of the World Trade Organization should focus on the implementation of the Uruguay Round of multilateral trade negotiations rather than on the negotiation of new agreements. His delegation welcomed the developing countries' most recent approach, known as "a positive agenda". WTO must ensure that liberalization was universal, non-discriminatory and subject to a mechanism for monitoring potential threats to the environment and health of developing countries. Future trade negotiations should seek to prevent the abuse of such measures as anti-dumping, countervailing duties, sanitary and phytosanitary regulations and technical barriers to trade. Ensuring that intellectual property rights were not an obstacle to the transfer of technology would constitute a vital step towards the establishment of a new development architecture.

22 His delegation welcomed the decision by the Ad Hoc Open-Ended Working Group on Financing for Development to address the question in the context of globalization and interdependence. It supported implementation of the principles of special and preferential treatment for developing countries and common but differentiated responsibilities. With a view to the 10-year review of the implementation of Agenda 21, to be convened in the year 2002, his delegation supported an approach that recognized the concept of sustained economic growth and focused special attention on countries heavily dependent on the export of a single commodity. It also hoped that the developed countries would have due regard for the United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa.

23. **Mr. Le Hoai Trung** (Viet Nam) said that the developing countries had made considerable efforts, particularly through substantial reforms carried out under the Enhanced Structural Adjustment Facility of the International Monetary Fund (IMF) to mobilize their internal resources in the aftermath of the financial crisis in South-East Asia. They had liberalized their trade regimes through unilateral trade reforms and participation in regional trade agreements. The opening up of their financial markets and the sevenfold expansion of private capital flows to developing countries compared to the 1970s also reflected their integration into the global financial system. Nonetheless, their payment disorders remained as acute as ever and their economies were even more dependent on external financial resources in order to tackle poverty-related problems. Developing countries would need to undertake further and, in many cases, painful adjustments and reforms, that would involve strengthening the capacities of their Governments, whose importance was now being recognized again after nearly a decade in which the role of the market had been emphasized.

24. The international economic environment and international trading and financial systems remained largely unfavourable to developing countries, making adjustments and reforms even more painful. Many of the terms agreed upon during the Uruguay Round, particularly in areas of interest to developing countries, had not been implemented. That, together with the new forms of protectionism that had arisen, the imposition of labour standards, and the difficulties many developing countries were encountering in their efforts to join WTO, had put serious constraints on developing countries' access to markets. In order to remedy that situation, the international community should increase macroeconomic policy coordination and other forms of cooperation; strengthen the international trading system, ensuring that it was just, rule-based, and multilateral; enhance market access for developing countries; improve ıe management and increase the transparency of capital flows in the world; reverse the current decline in official development assistance and enhance its predictability; strengthen the relationship between environment and development; and strengthen the relevant international institutions. Those issues could be meaningfully addressed in a number of international forums, including the Ministerial Conference of WTO, the tenth session of UNCTAD, the Group of 77 South-South Summit, the review conferences on social development and women's issues and, above all, the Millennium Assembly.

25. **Mr. Khalil** (Sudan) welcomed the statement made at an earlier meeting by the Under-Secretary-General for Economic and Social Affairs and noted that, according to a recent World Bank study, more hardship might lie ahead for the developing countries as a result of the rapid pace of globalization and the shift of political and economic power from central governments to local authorities. Poverty was still an intractable problem in the developing countries, and the gap between the industrialized and developing countries was steadily widening.

26. His delegation agreed with the representative of Guyana that globalization was the single most important challenge confronting the international community. As the most representative and most democratic international institution, the United Nations was the best forum in which to address the issues of globalization. The globalization process should be addressed on the basis of an integrated approach by international institutions, including developmental, financial and trade-related aspects, reform of the international financial structure, and effective

protection against the marginalization of the developing countries. The President of the World Bank had acknowledged the need for a "new international development architecture" to parallel the new global financial architecture in the wake of the crises that had affected financial markets in the course of the previous two years. The Group of 77 had pointed out that any such new "architecture" should include a stronger role for the United Nations. International trade and financial organizations should be guided by the policy guidelines issued by the world body.

27. It was by no means utopian to hope for a new and stronger United Nations that would usher in an age of freedom from hunger, disease, natural disasters and the ravages of war through globalization with a human face. The way ahead was through meaningful partnership between North and South.

28. **Mr. Sychov** (Belarus) said that the global financial markets were gradually stabilizing after the upheavals of 1997 and 1998, but that more time was needed for recovery, especially for the economies of the developing countries and countries with economies in transition. Their continued slow growth pointed to the vulnerability of the global economy.

29. International measures were needed to respond to the problems of globalization through the establishment of a universal, transparent and predictable multilateral trading system that would facilitate access to the benefits of globalization for all countries. Only 10 new members had joined the World Trade Organization, while some 30 others were still embroiled in the application process; a more flexible approach to membership was needed. The participation of developing countries and those with transition economies in multilateral trade negotiations should be enhanced with the help of technical and advisory support from UNCTAD and the WTO.

30. His delegation welcomed the expanded cooperation between the United Nations and the Bretton Woods institutions. In the century to come, the United Nations must strengthen its role as a forum for policy, but that aim could not be achieved without financing for its operational funds and programmes, many of which had been driven to the brink of survival by the Organization's financial crisis.

31. Belarus supported European integration and the similar trend that could be noted in the Commonwealth of Independent States, most notably, the progress being made towards the integration of the Russian Federation and Belarus. Ten years after the emergence of the independent States of Eastern Europe, each country had chosen its own road to social and economic development. Belarus was seeking to build a socially-oriented market economy, and it had registered steady increases in GNP and industrial output. Its internal resources alone were not sufficient for the necessary modernization, however, and the Government was working to improve investment guarantees and attract foreign investors.

32. **Ms. Leonce-Carryl** (Saint Lucia), speaking on behalf of the Caribbean Community (CARICOM), read out the text of a draft resolution calling for the integrated treatment of all social, financial, economic and environmental issues as they pertained to development and sustainability with a view to promoting broad guidelines for the management of the global economy, saying the purpose of the resolution was to demonstrate that all issues before the Committee were interrelated and should be considered in an integrated manner. Its adoption would attest to the Committee's resolve to address those issues expeditiously and seek to correct the inequities, injustices and imbalances of the current millennium.

33. **The Chairman** said that the Committee looked forward to discussing the draft resolution at a later date.

34. **Mr. Yepez** (Ecuador) said that the countries of the South had derived little benefit from globalization thus far. They must endeavour to participate in globalization while preserving their own interests in all fields, particularly those related to equitable economic and social development and genuine democracy. His Government therefore attached great importance to the high-level international intergovernmental forum on financing for development, which was planned for early in the millennium. The international community should increase public and private funds for development, reverse the decline in official development assistance (ODA), create a favourable environment for productive foreign investment and enact reforms to the current international financial system in order to eradicate poverty, hunger, illness, unemployment and damage to the environment.

35. Ecuador was an active participant in the Andean Community and, pursuant to the Trujillo Protocol of 1996, had fully consolidated its institutions in order to face the challenge of globalization. It had signed a preferential tariffs agreement with Brazil, had extended its Partial Scope Agreements with other countries of the Southern Common Market (MERCOSUR) and was involved in the establishment of a free trade zone in the Americas. Its relationship with the European Union was based on political dialogue, preferential market access, development cooperation and efforts to combat drug trafficking, and it sought closer relations with the Pacific Basin through

gradual membership in the relevant regional forums and bodies.

36. He hoped that the upcoming WTO negotiations in Seattle would result in progress towards implementation of the Uruguay Round agreements and that the next millennium would bring an end to the protectionism and para-tariff restrictions that prevented the products of developing countries from gaining free access to major world markets. Trade liberalization could not benefit the most vulnerable countries unless development needs were taken into account; for that reason, the system of special and differentiated treatment in the application of multilateral trade agreements must be maintained.

37. His Government had benefited greatly from South-South cooperation with Colombia and, in the health sector, with Cuba. Now that the border dispute between Ecuador and Peru had been resolved, his Government, with the help of the international community, would be executing projects totalling some US$ 3 billion in the depressed border areas. Other projects were being implemented with the European Union and the Andean countries. His Government therefore welcomed the upcoming South Summit of the Group of 77, to be held in Havana.

38. The recent initiative taken by the Group of Eight in Cologne had opened new prospects for addressing the external debt problem. Ecuador's official debt was equal to its annual gross domestic product (GDP), making it one of the most heavily-indebted countries in the world. Damage resulting from El Niño had amounted to half its annual export income, and a disastrous fall in the prices of its primary exports had led to economic stagnation and increased unemployment. The Government had undertaken a more equitable restructuring of its debt servicing obligations.

39. There was an urgent need for international cooperation to mitigate the consequences of national disasters. In cooperation with the United Nations, his Government had proposed the establishment of an international research centre on El Niño to improve capacities for prediction and early warning and facilitate the adoption of measures for reconstruction. His Government was committed to environmental protection and sustainable development and, to that end, was implementing Dialogue 21, which involved poverty eradication through sustainable environmental management and the strengthening of representative democracy. It welcomed United Nations cooperation with those efforts.

40. **Mr. Kuindwa** (Kenya) said that the process of globalization and interdependence was uneven and sometimes unpredictable, but that if properly harnessed and managed, it could provide a foundation for enduring and equitable growth at the national and international levels. If developing countries were to reap the benefits of globalization, there was a need for effective governance that focused on the democratization of international economic decision-making; integrated consideration of trade, finance and development issues by international institutions; reform of the international financial architecture; and the problem of marginalization. The timing and extent of globalization and trade liberalization should be adjusted to the needs of developing countries; in that regard, he called on the developed countries to open their markets to the exports of developing countries.

41. The costs of borrowing and lending could be reduced if trade barriers were eliminated. The United Nations was fully mandated to play a central role in facilitating international consensus and multilateral cooperation for development through a genuine partnership aimed at addressing the diverse needs of developing countries. In that regard, WTO and the multilateral financial institutions should take into account the policy framework adopted by the United Nations.

42. While his delegation welcomed the efforts of the United Nations, bilateral donors and multilateral institutions to promote the development of Africa, it was concerned that those efforts had not produced the desired results. He supported the recommendations and suggestions made by the Secretary-General of the United Nations in his report on the causes of conflict and the promotion of durable peace and sustainable development in Africa (A/52/871-S/1998/318), and he called on the Bretton Woods institutions, other multilateral and regional organizations and bilateral donors to cooperate with Governments and among themselves to ensure consistency of the various coordination mechanisms aimed at avoiding duplication and simplifying implementation procedures.

43. His delegation was greatly concerned over the underutilization of the excellent conference facilities of the United Nations Office at Nairobi (UNON). As a matter of principle, it was important that the Office should have the same status as United Nations offices at Geneva and Vienna. The speedy establishment of a permanent interpretation service at the Office would facilitate the convening of more meetings by the United Nations system and regional intergovernmental and non-governmental organizations. In that regard, General Assembly resolutions 53/242 and 53/187 should be quickly implemented.

44. His delegation welcomed the agreed outcome of the Ad Hoc Open-Ended Working Group of the General Assembly on Financing for Development and hoped that the process of establishing the preparatory process for a high-level international intergovernmental forum on financing for development would be expedited.

45. It was a matter of concern to his delegation that official development assistance (ODA) had declined steadily during the current decade and that there had been an erosion of development cooperation. He strongly urged developed countries to honour their commitments under Agenda 21 as well as the Paris Declaration and Programme of Action adopted by the Second United Nations Conference on the Least Developed Countries.

46. While his delegation welcomed the Heavily Indebted Poor Countries (HIPC) Debt Initiative, it believed that its coverage should be broadened to include more of the indebted countries, with relief being offered in a graduated manner. Debt relief measures could and should be structured in a holistic and comprehensive manner without eroding Africa's future capacity to attract investments and should be linked to the long-term social and economic development of Africa.

47. **Mr. Gospodinov** (Observer for the International Federation of Red Cross and Red Crescent Societies) said that every year more than 126 million people were affected by natural disasters such as floods, droughts and earthquakes and the world was beginning to glimpse disturbing links between climate change, globalization and future disaster scenarios. One of the most worrying phenomena associated with climate change was sea level rise. The oceans had risen by 20 centimetres during the current century, and were set to rise by a further 44 centimetres in the next hundred years. According to climatologists, the interiors of continents were likely to dry up, leading to increased drought and a reduction in the flow of many rivers. Increased heat and changing ecologies would inevitably lead to changes in disease patterns. In Europe, cases of malaria were already on the increase, up from 2,000 cases a year 15 years previously, to 12,000 cases in 1998. That public health situation would be exacerbated by the changes predicted in demographic patterns.

48. The twentieth century had seen massive changes in economic systems. The social welfare systems and public health infrastructure had now been replaced by private enterprise, scaled-down state systems or by nothing at all. Given that disasters would undoubtedly increase in frequency and severity, he put forward a number of key changes which were necessary for creating a more effective disaster preparedness response system. First, the reality of the disaster threat had to be accepted. Development planning must plan for disasters, not around them. Second, national disaster preparedness systems must plot future disaster vulnerabilities and prepare for them, not simply look for guidance to the disasters of yesterday. Third, national preparedness and response must be linked to international preparedness and response. Unless systems were put into place immediately to make that work, assistance would be chaotic, inefficient and ultimately ineffective. Finally, the international disaster response system should be changed from a reactive to a proactive one. Major disasters requiring international assistance still had to await international appeals for funding and the construction of ad hoc coordination systems each time disasters struck.

49. His organization was committed, through a new international strategy for the upcoming decade, to ensuring that its national preparedness was integrated with its international response system, and that national capacities were built to respond both locally and internationally. The organization's recent operations in support of flood victims in various parts of the world demonstrated that national and international disaster response could both be effective.

50. **Mr. A'ala** (Syrian Arab Republic) noted that world economic growth in 1999 had not generated enough employment opportunities to reduce the number of people living in poverty in the developing countries. Owing to falling commodity prices, including oil prices, prospects for the developing countries were bleak.

51. It was clear that the way to prosperity was not simply to give free rein to globalization and the market economy, as that approach ignored the role and responsibility of the State in providing social and economic security and left people at the mercy of unstable world markets and forces seeking short-term gain without regard for other aspects of development. Private capital flows alone could not ensure comprehensive development; public funding was indispensable in the areas of health, education and infrastructure. Official development assistance, which had been among the first victims of globalization, was still the main source of resources for the developing countries. The Committee should take those facts into account in its consideration of the financing of development.

52. The existing system clearly favoured the economically strong at the expense of the weak; accordingly, one major challenge was how to give the phenomenon of globalization a human dimension. No single country or region could adequately address that challenge on its own; only through the united efforts of the international community could

globalization be made more responsive to the need for economic and social justice. The United Nations was a uniquely suitable forum for constructive dialogue to that end.

53. More international cooperation was required in order to create a level playing field and promote justice in international trade. At present, developing countries had great difficulty in securing access for their exports to world markets, in part because the developed countries withheld technology from them and erected tariff barriers against their products.

54. With respect to the environment and development, Agenda 21 should be fully implemented. In particular, the developed countries should keep their promises to provide the financial resources needed for the developing countries to meet their commitments in that connection, in accordance with the principle of common but differentiated responsibilities, and to transfer technology to those countries on a preferential basis. The 10-year review of progress since the Rio Conference might afford an opportunity to take practical measures to that end. In the meantime, it was regrettable that the international mechanism to combat desertification and drought had not been adequately funded.

55. The economic performance of western Asia had been poor in 1998, partly because of the continuing Israeli occupation of Arab lands. The report on the permanent sovereignty of the Palestinian people in the occupied Palestinian territory, including Jerusalem, and of the Arab population in the occupied Syrian Golan over their natural resources contained many examples of Israeli policies that flouted decisions and resolutions of the international community. Until Israel relinquished the land and water of those territories, no meaningful development would be possible.

56. **Mr. Reva** (Ukraine) said that globalization had deepened the domestic economic problems of individual States. Thus, the 1998 financial crisis had not only worsened the economic and social problems of the countries affected, but it had also slowed down or even reversed the development process of many other States. The Ukrainian economy, which had been expected to expand in 1998, had suffered substantial losses. However, despite those negative trends, his delegation was confident that, over the last few decades, the world economy had gained in quality. The globalization process had been reflected by the concomitant development of various economic systems, enhanced integration and economic interdependence.

57. While he welcomed the decisive measures adopted by the international community to deal with the crisis and stabilize the world economy, he hoped that the strengthening of the international monetary system would help to manage globalization and prevent future crises. In that regard, his delegation supported the idea of improving the architecture of the Bretton Woods institutions, increasing transparency of capital markets, and extending control over speculative investment funds and offshore financial centres. To achieve that goal, other countries, including those with economies in transition, should be involved in the process of identifying rules governing the functioning of global and regional financial markets. Moreover, the international community should undertake further measures to improve international cooperation in preventing and disclosing financial crimes. It was obvious that countries with emergent market economies and insufficient working experience of world markets were easy targets for speculation and outright fraud. His Government welcomed the initiatives taken by the Governments of France, the United States of America and others.

58. The United Nations had an indispensable role to play in the creation of an enabling international economic environment, as a necessary pre-condition for achieving sustainable economic growth and meeting basic social needs in the developing world. To address the challenges of globalization, further decisive steps were needed to adjust the multilateral trading system to new realities. In that regard, the United Nations Conference on Trade and Development (UNCTAD) and the World Trade Organization (WTO) had an important role to play in future trade negotiations. His delegation agreed that effective implementation of the Uruguay Round agreements and continuing trade liberalization should be at the heart of any discussions.

59. International politics in 1999 had been dominated by the Kosovo conflict. While the political and humanitarian aspects of the conflict were being gradually settled, its economic dimension had been relegated to the background. Meanwhile, the States of the region, the majority of which were economies in transition, suffered from its consequences. In that regard, Ukraine welcomed both the idea and launching of the Stability Pact of the European Union on south-eastern Europe, and was striving to participate in its implementation. He drew attention to the consequences of the violation of the regime of free navigation on the Danube, which had paralysed economic activities of Ukrainian shipping companies, ports and enterprises. He therefore urged the European Union and the international monetary and financial institutions to take urgent measures to renew the regime. His delegation also hoped that the United Nations, the Bretton Woods institutions and the European Union would promptly

elaborate a mechanism for compensating countries for their losses.

60. As far as the mitigation of the consequences of the Chernobyl catastrophe was concerned, Ukraine was making every effort to ensure the safety of the shelter facility built over 13 years previously, and to provide necessary assistance to the affected population. Noting that his Government would meet its commitments with respect to the decommissioning of the Chernobyl nuclear power plant, he welcomed the Group of 7 decision to convene the second pledging conference to raise necessary funds for the shelter implementation plant. As the victim of the worst-ever technological and ecological catastrophe, Ukraine attached great importance to environmental concerns. It fully understood its responsibility for the protection of the environment, both at the national and global levels, and was doing its best to live up to its commitments under Agenda 21.

61. Ukraine continued to develop mutually beneficial economic relations with the Commonwealth of Independent States, while working towards full integration into the European economic system. It also participated actively in regional groupings such as the Black Sea Economic Cooperation Organization and the Council of Baltic Sea States.

62. **Mr. Lisk** (Observer for the International Labour Office) said that productive employment was unquestionably the major source of livelihood for most people worldwide and an essential requirement for economic empowerment and social integration. Employment contributed to poverty reduction and promoted equality between men and women. Rapid globalization of the world economy had posed new challenges which had made the goal of maintaining full employment and decent work for all a more complex undertaking.

63. His organization was particularly concerned about the negative impact of financial and trade liberalization on employment and earnings. In that connection, ILO believed that there was a need for economic and social systems that ensured basic security and employment, while retaining the capacity to adapt to rapidly changing circumstances. It was equally important to find ways to resolve economic and financial crises without sacrificing economic growth and, consequently, increasing unemployment and poverty. That implied new institutional arrangements and approaches to macroeconomic and stabilization policies. ILO had established guidelines for assisting countries to cope with the challenges of globalization, including minimizing risks to working people and businesses as well as the increasing capacities of policy makers to deal with the employment challenge.

64. Through its long-established link with employers' organizations and the private sector, ILO was well equipped to assist member States in the area of entrepreneurship and enterprise development, including microenterprises, as a means of reducing poverty and attaining sustainable development. The ILO Declaration on Fundamental Principles and Rights at Work, adopted in 1998, was an important step forward in achieving the universal implementation of core labour standards, which were significant for ensuring that globalization generated equitable and sustainable development.

The meeting rose at 6.15 p.m.